

New IRS Business Code Number For Manufacturers' Representatives

The 6-digit NAICS (North American Industry Classification System) business code system used by the IRS to classify your business has been undergoing revision since it was first implemented in 1997. A recent joint investigation by MANA and the ERA into NAICS Codes turned up a new code, established in 2002, for manufacturers' representatives.

For reps who sell only on commission and don't buy and resell, the following applies: **425120 Wholesale Trade Agents and Brokers** — 2002 NAICS Code

Description

This industry comprises wholesale trade agents and brokers acting on behalf of buyers or sellers in the wholesale distribution of goods. Agents and brokers do not take title to the goods being sold. Instead, they receive a commission or fee for their service. Agents and brokers for all durable and non-durable goods are included in this industry.

Illustrative Examples

- Independent sales representatives
- Manufacturers' sales representatives

Alternate Titles

This sector is also called:

- Automobile auctions, wholesale
- Fuel oil truck jobbers
- Petroleum brokers
- Wholesale trade agents and brokers
- Agents and brokers, durable goods, wholesale trade
- Agents and brokers, non-durable goods, wholesale trade
- Durable goods agents and brokers, wholesale trade
- Non-durable goods agents and brokers, wholesale trade

For distributors, the correct code must be selected from the sub-sectors of "423 Merchant Wholesalers, Durable Goods" or "424 Merchant Wholesalers, Non-durable Goods."

If you are a manufacturers' representative who also buys and resells, and therefore takes title to some of the products you sell, you will need to choose the code that best describes your business when filing your tax return. Remember, the data in your tax return will be compared to the population of filers who use the same code you use for the purpose of selecting your return for further review.

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